

## REMARKS

### Rejections Under 35 U.S.C. §112

Claims 1, 48 and 88 are rejected under § 112, second paragraph, as being indefinite, caused by use of the phrases "related by a common business interest" and  
5 "in contractual relation with a hiring entity in a superior tier." These claims have been amended to clarify the relationships between the entities. Withdrawal of the rejection of these claims is therefore respectfully requested.

### Rejections Under 35 U.S.C. §102

Claims 1-11, 13, 15-17, 27, 31-47, 49-87 and 89-91 are rejected under §102 as  
10 being anticipated by U.S. Patent No. 5,920,847 to Kolling. Claims 3, 4, 14, 29, 40, 42-46, 52, 57, 66-69, 76, 79 and 90 have been cancelled.

Claim 1. Claim 1 is rejected under §102 as being anticipated by Kolling with particular reference to col. 4, line 18 - col. 7, line 7, col. 28, line 5 - col. 30, line 6, and Fig. 11.

15 Col. 4, line 18 - col. 7 of Kolling discloses the existing bill pay systems depicted in Figs. 1 and 2. The "conventional paper bill pay system" (col. 4, lines 34-35) depicted in Fig. 1 disclose a bill payment system in which the biller sends a paper bill and payment coupon to the consumer. In response to receiving the bill, the consumer sends a check and the payment coupon in a return envelope back to the biller. An "alternate bill pay  
20 system" (col. 6, l. 43) depicted in Fig. 2 discloses a "service bureau" (Id., l. 55) used "to match bill payment orders with billers (Id., lines 56-57). Under this system, a consumer enrolls in the bill pay system by sending in a voided check and a list of billers to be paid. Id., lines 63-66. The consumer's account number with each biller and the consumer's preferred "funding account" to be used to make payments are also provided to the

service bureau. Col. 7, lines 3-7. The service bureau confirms with each biller that the consumer is a customer of the biller and that the biller is a valid biller of the consumer. In response to receiving a bill from a biller, the consumer sends a bill payment order to the service bureau authorizing withdrawal of funds from the consumer's bank account to pay the bill. Col. 7, lines 35-40. The service bureau then secures funds to make the payment from the consumer's bank and passes the funds to the biller. Col. 7, l. 53 - col. 8, l. 21.

Col. 28, line 5 - col. 30, line 6 of Kolling discloses a "bidirectional electronic bill payment system" depicted in Fig. 13 in which a consumer wishing to make a payment sends a "bill payment order" to a service bureau. The latter validates the bill payment order by, e.g, checking the identification of the consumer, the identification of the biller, and the amount to be paid. If the transaction is authorized by the service bureau, a payment message is sent by the service bureau to a payment network which forwards the message to a biller processor. The biller processor compares the fields in the payment message with preferences contained in a biller field preferences file and rejects the payment message if a match is not found.

Fig. 11 depicts a flowchart of a bill payment process between a consumer and biller participating in a payment network. In response to a biller sending a consumer a bill, the latter sends a bill pay order to its bank directing the bank to debit the consumer's account with the bank by the amount indicated in the order and forward the debited funds to a payment network. If the funds are available and the biller's BRN number and the consumer's account with the biller are valid, the bank implements the order. Thereafter the payment network debits the consumer's bank and credits the biller's bank in the amount specified in the bill pay order.

Claim 1, as amended, is directed to presentation and payment of bills between a billing entity in a subordinate tier and a paying entity in a superior tier of a hierarchical business organization. When a network interface receives a request for payment to one of the billing entities for completed performance of one or more tasks in a list of tasks stored in memory. Each of the tasks adds value to a defined business project, and is provided to the project by one of the billing entities. Each billing entity is contractually obligated to perform at least one of the tasks for one of the paying entities. A processor prepares a bill for transmission to the paying entity node requesting payment by the paying entity for the completed performance of the tasks. Conversely, Kolling is directed to a payment system directed merely to using a service bureau and/or a payment network to facilitate payment by a consumer of a bill received from a biller. The consumer and biller have no contractual relationship; the biller having no contractual obligation to perform a task for the consumer. Kolling does not disclose a list of tasks each of which provides value to a defined business project or that the biller provides or performs a task which adds value to a business project under a contractual obligation to the consumer. Accordingly, claim 1 as amended is patentably distinct over Kolling and applicant respectfully requests that the rejection of claim 1 under §102 be withdrawn.

Claims 48 and 88 are directed to limitations similar to those of claim 1. Therefore, applicant respectfully requests that the rejections of claims 48 and 88 be withdrawn for the same reasons articulated above in connection with claim 1.

Claims 2-47 depend directly or indirectly from claim 1 and contain similar limitations. Therefore, applicant respectfully requests that the rejections of claims 2-11, 13, 15-17, 27, and 31-47 be withdrawn for the same reasons articulated above in

connection with claim 1.

Claim 2. Claim 2 is rejected under §102 over Kolling with particular reference to col. 11, line 4 - col. 12, line 19 for disclosure of project information.

Kolling discloses an electronic pay system in which participating consumers pay  
5 bills to participating billers using a bill payment network. Billers are “universally  
identified” to the payment network by a unique biller reference number (BRN). To  
“authorize a remittance” to a biller for a “bill” (col. 11, l. 14), a consumer transmits to a  
bank participating in the payment network a transaction including (1) an amount to pay,  
(2) the source of the funds, (3) a date on which to make the payment, (4) a consumer  
10 account number established with the biller, and (5) the biller’s BRN. Kolling, col. 11,  
lines 18-25. Thereafter the consumer’s bank submits a “payment message” (col. 11, l.  
36) into the payment network directed to the biller’s bank, debits the consumers account  
for the payment and obligates itself to a net position with the payment network. The  
biller’s bank receives a net position from the payment network and credits it’s bank  
15 account in an amount corresponding to the debit made by the consumers bank relying  
on the payment network to credit it with the funds released by the consumer’s bank.  
Finally, the biller’s bank releases the funds to the biller.

Claim 2, as amended, is directed to storing in system memory “identifying  
information” to identify a “defined business project.” While the transaction disclosed in  
20 Kolling may be directed to payment of a “bill,” Kolling does not disclose a defined  
business project or any business project in which the biller and payer have a  
contractually-related common interest. Accordingly, applicant respectfully requests that  
the rejection of claim 2 under §102 be withdrawn.

Claim 6. Claim 6, as amended, is directed to storing amounts billed by each

5 billing entity for each task and amounts owed to the billing entities for work performed on those tasks. Kolling does not disclose storing amounts billed for tasks which provide value to a defined business project or storing amounts owed for performing those tasks. Accordingly, applicant respectfully requests that the rejection of claim 6 under §102 be withdrawn.

Claim 7. Claim 7, as amended, is directed to verifying that a task, as defined in claim 1, that has been performed and for which payment is being requested is a task identified in the list of tasks that add value to a defined business project. Kolling, discussed above, does not disclose identifying tasks that add value to a defined business project let alone verifying that a task for which payment is being requested is identified in the list of tasks. Accordingly, applicant respectfully requests that the rejection of claim 7 under §102 be withdrawn.

10 Claim 8. Claim 8, as amended, is directed to calculating a retention amount to be withheld by the paying entity from payment of the bill. A review of Kolling does not disclose calculating or withholding a retention amount from a payment made using a bill payment system or network in column 15-17 cited on page 5 of the office action, or elsewhere. Accordingly, applicant respectfully requests that the rejection of claim 8 under §102 be withdrawn.

15 Claim 9. Claim 9, as amended, is Kolling is directed to a system for direct presentment and payment of bills wherein each task is provided to a defined business project as defined above by only one billing entity. A review of Kolling does not disclose a system for direct presentment and payment of bills wherein each task is provided to a defined business project by only one billing entity. Accordingly, applicant respectfully requests that the rejection of claim 9 under §102 be withdrawn.

Claim 10. Claim 10, as amended, is directed to a system for direct presentment and payment of bills wherein a bill presented to a paying entity includes only those tasks associated with one of perhaps multiple billing entities. Kolling is not directed to a system for direct presentment and payment of bills wherein the bill presented to the paying entity includes only those tasks associated with one of multiple billing entities. Accordingly, applicant respectfully requests that the rejection of claim 10 under §102 be withdrawn.

Claim 11. Claim 11, as amended, is directed to storing a list of costs each of which is associated with one of a list of tasks as defined in claim 1. A review Kolling does not disclose a system for direct presentment and payment of bills wherein a list of costs is stored, each associated with one of a list of such tasks, in col. 11, l 4 to col. 12, l. 19, cited on page 5 of the office action, or elsewhere. Accordingly, applicant respectfully requests that the rejection of claim 11 under §102 be withdrawn.

Claim 13. Claim 13, as amended, is directed to comparing a cost billed for a performed task against a range of costs embracing a stored cost associated with the task and storing in indication that the billed cost is within the range of costs. A search of Kolling does not disclose comparing a billed cost against a stored cost or a range of costs embracing a stored cost or storing an indication as to whether the stored cost falls in the given range of costs, either in col. 15 - col. 17, cited on page 5 of the office action, or elsewhere. Accordingly, applicant respectfully requests that the rejection of claim 13 under §102 be withdrawn.

Claim 15. Claim 15 contains limitations similar to claim 13 and application respectfully requests that the rejection of claim 13 under §102 be withdrawn for the same reasons articulated above in connection with claim 13.

Claim 27. Claim 27 depends from claim 26 discussed below. Applicant therefore respectfully requests that the rejection of claim 27 under §102 be withdrawn for the same reasons given below in connection with claim 26. Furthermore, claim 27 is directed to an authorizing entity preparing an adjustment instruction used by the system processor to adjust the bill. In Kolling bill pay orders are authorized or denied wholesale (see discussion of claim 26 below), whereas claim 27 recites that the bill is adjusted "according to" the adjustment instruction. Accordingly, applicant respectfully requests that for these separate reasons the rejection of claim 27 under §102 be withdrawn.

Claim 31. Claim 31 is directed to creating and transmitting to a billing entity a mechanic's lien claims release form for release of mechanic's lien rights held by a billing entity for performance of one or more tasks. A review of Kolling does not disclose preparing forms for or the release of mechanic's lien rights held by a billing entity for having performed one or more tasks for a defined business project. Applicant therefore respectfully requests that the rejection of claim 31 under §102 be withdrawn.

Claims 32 and 33. Claims 32 and 33 depend directly from claim 31 and contain limitations similar thereto. Accordingly, applicant respectfully requests that the rejections of claims 32 and 33 under §102 be withdrawn for the same reasons advanced above in connection with claim 31.

Claim 34. Claim 34 depends from claim 31 which, as discussed above, is directed to releasing mechanic's lien rights. Accordingly, applicant respectfully requests that the rejection of claim 34 under §102 be withdrawn for the same reasons advanced above in connection with claim 31. Additionally, claim 34 is directed to generating an authorization request requiring an authorizing entity to inspect the project to determine if the tasks for which payment is requested have been performed and to approve or

disallow the request based on that inspection; the authorization request being generated in response to receiving a claims release form signed by the billing entity requesting payment for the tasks. As discussed in connection with claim 31 above and claim 26 below, respectively, Kolling does not disclose preparing forms for or the release of mechanic's lien rights held by a billing entity for having performed one or more tasks for a defined business project or submitting a request for authorization for payment of a request for payment to an authorizing entity the authorizing entity being required to inspect the business project to determine if each task for which the request for payment has been submitted has been performed and thereafter to approve or disallow the request for payment. For these separate reasons, Applicant respectfully requests that the rejection of claim 34 under §102 be withdrawn.

Claims 35-38. Claims 35-38 depend directly or indirectly from claim 34 and contain limitations similar thereto. Applicant therefore respectfully requests that the rejections of claims 35-38 under §102 be withdrawn for the same reasons given above in connection with claim 34. Claim 35 is directed to adjusting the payment request responsive to a disallowance received from the authorizing entity. Claim 36 is directed to identifying which tasks have been performed in a billing report to be transmitted to a paying entity. Claim 37 depends from claim 36 and is directed to identifying mechanic's lien rights which have been released by a billing entity as to each task. Claim 38 also depends from claim 36 and is directed to identifying which tasks. Kolling does not disclose adjusting a payment request in response to a request for payment disallowed by an authorizing entity, identifying tasks performed by billing entities in a billing report transmitted to a paying entity, identifying mechanic's lien rights released by a billing entity for performed tasks, or identifying tasks for which a billing entity has submitted a



request for payment. For these separate reasons, applicant respectfully requests that the rejections of claim 35-38 under §102 be withdrawn.

Claim 39. Claim 39 is directed to each task in the list of tasks being identified by one of the billing entities. As discussed above in connection with claim 1, Kolling does not disclose a list of tasks to be performed each of which has a value to be provided to a defined business project. More particularly, Kolling does not disclose identification of those tasks by billing entities as recited in claim 39. For this separate reason, applicant respectfully requests that the rejection of claim 39 under §102 be withdrawn.

Claim 50. Claim 50 is directed to verifying that the task or tasks for which the request for payment is submitted are not one of the tasks identified as having been already performed. A review of Kolling does not disclose verifying that tasks for which a request for payment is submitted are not identified as having already been performed. For this separate reason, applicant respectfully requests that the rejection of claim 50 under §102 be withdrawn.

Claim 51. Claim 51 contains limitations similar to claim 8. Applicant therefore respectfully requests that the rejection of claim 51 under §102 be withdrawn for the reasons given above in connection with claim 8.

Claim 52. Claim 52 contains limitations similar to claim 7. Applicant therefore respectfully requests that the rejection of claim 52 under §102 be withdrawn for the reasons given above in connection with claim 7.

Claim 53. Claim 53 contains limitations similar to claims 9 and 10. Applicant therefore respectfully requests that the rejection of claim 53 under §102 be withdrawn for the reasons given above in connection with claims 9 and 10.

Claim 54. Claim 54 contains limitations similar to claim 11. Applicant therefore

respectfully requests that the rejection of claim 54 under §102 be withdrawn for the reasons given above in connection with claim 11.

Claim 55. Claim 55 contains limitations similar to claims 11 and 12. Applicant therefore respectfully requests that the rejection of claim 55 under §102 be withdrawn for the reasons given above in connection with claim 11.

Claim 56. Claim 56 contains limitations similar to claim 11. Applicant therefore respectfully requests that the rejection of claim 56 under §102 be withdrawn for the reasons given above in connection with claim 11.

Claim 57. Claim 57 contains limitations similar to claim 5. Applicant therefore respectfully requests that the rejection of claim 57 under §102 be withdrawn for the reasons given above in connection with claim .

Claims 58 and 59. Claims 58 and 59 contain limitations similar to claim 16 and 17. Applicant therefore respectfully requests that the rejections of claims 58 and 59 under §102 be withdrawn for the reasons given above in connection with claims 16 and 17.

Claim 60. Claim 60 contains limitations similar to claim 2. Applicant therefore respectfully requests that the rejection of claim 60 under §102 be withdrawn for the reasons given above in connection with claim 2.

Claim 61. Claim 61 contains limitations similar to claim 3. Applicant therefore respectfully requests that the rejection of claim 61 under §102 be withdrawn for the reasons given above in connection with claim 3.

Claim 62. Claim 62 contains limitations similar to claim 3. Applicant therefore respectfully requests that the rejection of claim 62 under §102 be withdrawn for the reasons given above in connection with claim 3.

Claim 63. Claim 63 contains limitations similar to claim 5. Applicant therefore respectfully requests that the rejection of claim 63 under §102 be withdrawn for the reasons given above in connection with claim 5.

Claim 64. Claim 64 contains limitations similar to claims 12-15. Applicant therefore respectfully requests that the rejection of claim 64 under §102 be withdrawn for the reasons given above in connection with claim 12-15.

Claim 65. Claim 65 contains limitations similar to claims 5 and 12-15. Applicant therefore respectfully requests that the rejection of claim 65 under §102 be withdrawn for the reasons given above in connection with claim 12-15.

Claims 66-69, 73 and 74. Claim 66-69, 73 and 74 contain limitations similar to claim 7. Applicant therefore respectfully requests that the rejections of claim 66-69, 73 and 74 under §102 be withdrawn for the reasons given above in connection with claim 66-69, 73 and 74.

Claim 75. Claim 75 contains limitations similar to claim 6. Applicant therefore respectfully requests that the rejection of claim 75 under §102 be withdrawn for the reasons given above in connection with claim 6.

Claims 76, 77, 79 and 90. Claims 76, 77, 79 and 90 contain limitations similar to claim 6, 37-38 and 40. Applicant therefore respectfully requests that the rejections of claims 76, 77, 79 and 90 under §102 be withdrawn for the reasons given above in connection with claims 6, 37-38 and 40.

Claim 78. Claim 78 contains limitations similar to claim 6. Applicant therefore respectfully requests that the rejection of claim 78 under §102 be withdrawn for the reasons given above in connection with claim 6.

Claim 89. Claim 89 contains limitations similar to claim 5. Applicant therefore

respectfully requests that the rejection of claim 5 under §102 be withdrawn for the reasons given above in connection with claim 5.

### **Rejections Under 35 U.S.C. §103**

Claims 12, 14, 18-22, 26, 28-30 and 32-33 are rejected under § 103(a) as being unpatentable over Kolling in view of Official Notice of certain enumerated processes. Claim 14 has been cancelled.

Claim 12. Claim 12, as amended, is directed to identifying duplicate performance of a task, as defined in claim 1, by more than one billing entity. A review of Kolling does not disclose a system for direct presentment and payment of bills which compares the tasks in a list of tasks as defined in claim 1 and identifies duplicate performance of such tasks, either in col. 15 - col. 17, cited on page 5 of the office action, or elsewhere. The office action does not advance any well articulated reason why it would have been obvious in view of Kolling to compare tasks in such a list of tasks and identify duplicate performances. Accordingly, applicant respectfully requests that the rejection of claim 12 under §103 be withdrawn.

Claims 18-22. Claims 18-22 depend directly or indirectly from claim 1 and contain similar limitations. Further, the office action fails to articulate any reasons why claims 18-22 would have been obvious in view of Kolling. Applicant therefore respectfully requests that the objections under §103 to claims 18-22 be withdrawn for the same reasons articulated above in connection with claim 1.

More particularly, claim 19 is directed to storing information to identify a defined business project. A review of Kolling does not disclose storing information to identify a defined business project. This is not surprising since Kolling is concerned only with an electronic bill pay system between a consumer and a biller that does not require or

involve a defined business project involving the performance of tasks. For these separate reasons, applicant respectfully requests that the rejection of claim 19 under §103 be withdrawn.

Claim 22, as amended, is directed to storing information regarding authorizing entities as defined in claim 26. Kolling does not disclose authorizing entities authorized to inspect a business project to determine if one or more tasks have been performed or to storing information on such authorizing entities.

Claim 26. Claim 26 is directed to submitting a request for authorization for payment of a request for payment to an authorizing entity the authorizing entity being required to inspect the business project to determine if each task for which the request for payment has been submitted has been performed; to approve the request for payment if the task or tasks has been performed; and to disallow the request for payment for each task that has not been performed. Kolling, as pertinent to claim 26, is directed to a bill pay system wherein, in response to an authorization request from a service bureau, a consumer's bank authorizes or denies the bill pay order. See Kolling, col. 29, lines 38-41. See also, Kolling, col. 27, lines 47-55 and Fig. 12, element 316. Authorization as defined in Kolling means that the consumer is "authorizing" the consumer's bank to transfer funds from the consumer's account to the biller. Kolling, col. 3, l. 67-col. 4, l. 12, and col. 5, lines 11-12 ["The signed check serves as . . . authorization."] Kolling is not directed to an authorizing entity being required to inspect the business project to determine if each task for which the request for payment has been submitted has been performed and upon that determination approve or disallow the request for payment. Moreover the authorization in Kolling is of a bill payment order generated by the consumer who stands in relation to the paying entity in applicant's

claim 26, whereas the authorization request of applicant's claim 26 is of a request for payment by a billing entity more akin to a biller in Kolling. Bills generated by billers in Kolling are never authorized in the sense described above. Finally, It is "important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the [prior art] elements" in the matter claimed. *KSR Int'l Co. V. Teleflex, Inc.*, 550 U.S. \_\_\_\_ (2007) (No. 04-1350, April 30, 2007). No reason has been advanced in the office action why a person of ordinary skill would have combined generating and submitting an authorization request to an authorizing entity requiring it to inspect the project to determine if tasks for which payment has been requested have been completed, and to approve or disallow the request for payment, with the teachings of Kolling. For these reasons, applicant asserts that claim 26 is patentably distinguishable over Kolling and respectfully requests that the rejection thereof under §103 be withdrawn.

Claims 28 and 30. Claims 28 and 30 depend directly or indirectly from claim 26 and contain limitations similar thereto. Applicant, therefore, respectfully requests that the rejections of claims 28 and 30 under §103 be withdrawn for the same reasons given above in connection with claim 26. Moreover, claim 30 is directed to including in an approval of the request for payment a verification that one or more tasks have been completed. Kolling does not disclose inspecting for performance of tasks as discussed above or verifying their completion. For these separate reasons respectfully requests that the rejections of claims 28 and 30 under §103 be withdrawn.

Claims 32 and 33. Claims 32 and 33 depend from claim 1 through claim 31 and contain limitations similar thereto. Accordingly, applicant respectfully requests that the rejections of claims 32 and 33 under §103 be withdrawn for the same reasons

advanced above in connection with claim 1.

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Claims 23-25 are separately rejected, at page 7 of the office action, under § 103(a) as being unpatentable over Kolling.

5        Claims 23-25. Claims 23-25, amended, depend directly from claim 1 and contain similar limitations. Accordingly, applicant respectfully requests that the rejections of claims 23-25 under §103 be withdrawn for the same reasons articulated above in connection with claim 1. Moreover, Kolling does not disclose the system for direct presentment and payment of bills recited in claim 1 in reference to a construction project  
10        wherein the paying entity is a construction project owner, a building contractor, or a financial institution. Therefore, application respectfully requests that the rejections of claims 23-25 under §103 be withdrawn for these separate reasons.

### **Conclusion**

15        In light of the above amendments and remarks, applicant respectfully submit that the application is in condition for allowance and earnestly requests that action.

Respectfully submitted,

/Brian Beverly/

20        Brian Beverly, Reg. 39,609  
Attorney for Applicant  
One Kaiser Plaza, Suite 750  
Oakland, California 94612  
Telephone: (510) 832-8700  
Facsimile: (510) 836-2595